

Yackulic, Ted

From: Feldman, Stephen (Perkins Coie) <SFeldman@perkinscoie.com>
Sent: Thursday, January 30, 2014 2:11 PM
To: Yackulic, Ted; Frederick.Phillips@USDOJ.GOV
Cc: Justin D. Leonard (jleonard@ml-llp.com)
Subject: RE: Absorbent Technologies

I am currently making suggested edits to the settlement agreement. I hope to be able to circulate them in the next 30 minutes or so. Can we talk after that?

From: Yackulic, Ted [mailto:yackulic.ted@epa.gov]
Sent: Thursday, January 30, 2014 12:24 PM
To: Feldman, Stephen (Perkins Coie); Frederick.Phillips@USDOJ.GOV
Cc: Justin D. Leonard (jleonard@ml-llp.com)
Subject: RE: Absorbent Technologies

Steve and Justin,

Attached are a re-draft of the Escrow Agreement and a draft Settlement Agreement. We've made changes to the escrow agreement so that EPA is a beneficiary of rather than party to the escrow agreement. It is not currently set up for signature by EPA but we would sign as a beneficiary.

The Settlement Agreement is a draft that has not been reviewed by EPA of Justice management. It is something Fred and I would recommend entry of but still needs approval. We've tried to make the payment terms and covenant consistent with the use of the escrow agreement. I will send you payment instructions for wire transfer from the escrow agreement when I get them from our finance folks. You'll note that the Settlement Agreement has to go out for public comment. That is a requirement of CERCLA. For this reason, we suggest that we seek the Court's approval of the Trustee entry into the Settlement Agreement before it is signed by all parties and made effective. We are open to other thoughts. Let's try and talk around 2 today. If you want to talk before that call me on my cell 206 371 2170. Thanks.

Ted Yackulic, Assistant Regional Counsel
U.S. Environmental Protection Agency, Region 10
1200 Sixth Avenue, Suite 900
Seattle, WA 98101

Phone: 206-553-1218
yackulic.ted@epa.gov

From: Feldman, Stephen (Perkins Coie) [mailto:SFeldman@perkinscoie.com]
Sent: Thursday, January 30, 2014 8:36 AM
To: Frederick.Phillips@USDOJ.GOV; Yackulic, Ted

Cc: Justin D. Leonard (jleonard@ml-llp.com)

Subject: RE: Absorbent Technologies

Fred and Ted,

Attached is a proposed draft of the Escrow Agreement. Please let me know as soon as possible if you have any questions or suggested changes.

Also, as you will see, I have drafted the Escrow Agreement under the assumption that the \$250,000 will be wired to EPA. Please confirm if that is in fact the case and, if so, please provide the appropriate wiring instructions.

Finally, please note that I just sent the draft Escrow Agreement to Chicago Title. I will let you know ASAP if Chicago Title has any comments or suggested changes.

We await receipt of the proposed settlement agreement.

Thanks,
Stephen

From: Phillips, Frederick (ENRD) [<mailto:Frederick.Phillips@usdoj.gov>]

Sent: Wednesday, January 29, 2014 7:10 PM

To: Feldman, Stephen (Perkins Coie); 'yackulic.ted@epa.gov'

Cc: 'jleonard@ml-llp.com'

Subject: Re: Absorbent Technologies

Stephen - I don't have that info with me - one of us will get it to you in the morning.

Fred

Sent Using U.S. DOJ/ENRD BES 5 Server

From: Feldman, Stephen (Perkins Coie) [<mailto:SFeldman@perkinscoie.com>]

Sent: Wednesday, January 29, 2014 09:13 PM

To: 'Yackulic, Ted' <yackulic.ted@epa.gov>; Phillips, Frederick (ENRD)

Cc: Justin D. Leonard (jleonard@ml-llp.com) <jleonard@ml-llp.com>

Subject: RE: Absorbent Technologies

Ted and Fred,

To whom at EPA shall the funds be delivered and by what method (e.g., wiring)? Please advise.

Thanks,
Stephen

From: Yackulic, Ted [<mailto:yackulic.ted@epa.gov>]
Sent: Wednesday, January 29, 2014 2:02 PM
To: Feldman, Stephen (Perkins Coie); Frederick.Phillips@USDOJ.GOV
Cc: Justin D. Leonard (jleonard@ml-llp.com)
Subject: RE: Absorbent Technologies

Steve,

Are you working on the escrow agreement?

From: Feldman, Stephen (Perkins Coie) [<mailto:SFeldman@perkinscoie.com>]
Sent: Wednesday, January 29, 2014 1:40 PM
To: Frederick.Phillips@USDOJ.GOV; Yackulic, Ted
Cc: Justin D. Leonard (jleonard@ml-llp.com)
Subject: RE: Absorbent Technologies

Fred and Ted,

I am pleased to report that we have reached an agreement, with Queen contributing \$135k and \$115k coming from the estate. (I note that I'm not positive on whether the full \$115k will be apportioned to Ferry's Chapter 7 claim or whether some portion of it will be apportioned to the estate's resolution of EPA's Chapter 7 claim. I'd kindly ask Justin to confirm the breakdown.)

Please let me know when we can expect to receive a draft of the settlement agreement, and please also let me know if you need any additional information from us at this point.

Thank you very much for your willingness to work with us in resolving this difficult and unfortunate situation.

Best,
Stephen

From: Phillips, Frederick (ENRD) [<mailto:Frederick.Phillips@usdoj.gov>]
Sent: Wednesday, January 29, 2014 10:05 AM
To: Justin D. Leonard; Feldman, Stephen (Perkins Coie)
Cc: Yackulic, Ted
Subject: RE: Absorbent Technologies

I understand that the deal that I thought we had more or less worked out yesterday may have cratered. My further understanding is that the problem may be that Sean has determined that his client's equitable share of any settlement should be considerably less than Queen Street's share. If I'm correct about all of this, I don't know whether his participation in a call is likely to help us get this resolved. I'm certainly open to including him if the consensus is that that would be useful.

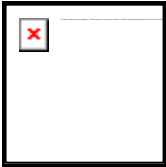
From: Justin D. Leonard [<mailto:jleonard@ml-llp.com>]
Sent: Wednesday, January 29, 2014 12:45 PM
To: Feldman, Stephen (Perkins Coie)
Cc: Phillips, Frederick (ENRD); Yackulic, Ted
Subject: Re: Absorbent Technologies

Works for me. Should Shawn Ryan be included?

- - -

Justin D. Leonard

Admitted in Oregon, Washington & Idaho



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On Wed, Jan 29, 2014 at 9:37 AM, Feldman, Stephen (Perkins Coie) <SFeldman@perkinscoie.com> wrote:

Yes, I am available.

From: Phillips, Frederick (ENRD) [<mailto:Frederick.Phillips@usdoj.gov>]
Sent: Wednesday, January 29, 2014 9:36 AM
To: Feldman, Stephen (Perkins Coie); Justin D. Leonard
Cc: Yackulic, Ted
Subject: Absorbent Technologies

Gentlemen:

Is everyone available for what I expect will be a brief call at 10:30 PT/1:30 ET today?

If not, please reply to all with times that work.

Thanks,

Fred Phillips

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***** ATTACHMENT NOT DELIVERED *****